

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

FACT SHEET ON MINISTRY OF CIVIL AVIATION

A. AIRPORTS:

Current Status

- 450 airports/airstrips in the country(including those managed by Defence Services, State Governments and Private Parties)
- Airports Authority of India (AAI) manages 125 of them
- -11 International Airports & 77 Civil Domestic Airports
- -9 Custom Airports
- 28 Civil enclaves at defence airfields

Year	Aircraft movements			Passenger movements (in million)			Cargo movements(in tones)		
	Intl.	Dom.	Total	Intl.	Dom.	Total	Intl.	Dom.	Total
2001-02	107824	402108	509932	13.62	26.36	39.98	560226	294050	854276
2002-03	116442	444208	560560	14.82	28.90	43.72	646137	333222	979359
2003-04	132934	506042	638976	16.62	32.08	48.70	693173	375029	1068202
2004-05	158191	571827	730018	19.45	40.09	59.54	824876	465036	1289912

- 85% of total passenger traffic is handled by 10 airports
- 80% total revenue is generated by these 10 airports
- 11 airports are profitable
- Of these Delhi & Mumbai, the 2 major gateways account for 49% of total passenger traffic and 33% of total revenue

NEW AIRLINES STARTING OPERATION:

At present there are twelve (12) scheduled airlines operating in the country viz.

- Air India Ltd.,
- Indian Airlines Ltd.,
- Airline Allied Services Ltd. (Alliance Air),
- Air India Charters Ltd.,
- M/s Jet Airways (India) Pvt. Ltd.,
- M/s Sahara Airlines Ltd.,
- M/s Deccan Aviation Pvt. Ltd.,
- M/s Kingfisher Airlines,
- M/s Royal Airways Ltd (Spice Jet),
- M/s Blue Dart Aviation Ltd. and
- M/s Paramount Aviation Pvt. Ltd.
- M/s Go Airlines.
 - Government has also granted "No Objection Certificate" to 2 more airlines companies to operate scheduled air transport services. These companies are likely to commence air transport services after getting the "Operating permit" from Directorate General of Civil Aviation. The companies are:-
- M/s Inter Globe Aviation Pvt. Ltd.,
- M/s Indus Airways Pvt. Ltd., and

LIBERALIZATION OF AIR SERVICES ON IMPORTANT ROUTES:

Traffic Rights were enhanced with the following countries since assumption of the present Government in order to enable greater connectivity to/from India:

Brazil, Australia, U.K., Saudi Arabia, Austria, Yemen, Israel, UAE, Iran, Germany, USA, China, France, UK, Mauritius, Oman, Taiwan, Qatar, Netherlands, Belgium, Germany, Canada, Bhutan, Philippines, South Africa, Singapore, Maldives, Taiwan, Poland and Azerbaijan.

PROGRESS IN THE IMPLEMENTATION OF '7 + 7' POLICY:

In pursuance of the policy framework to permit the designated airlines of all countries having Air Services Agreements with India to operate 7 flights/week each to any two international airports in India, the designated airlines of Austria, Finland, Republic of Korea, Maldives, Armenia, Yemen etc. have been offered additional capacity, as requested by the respective Governments, subject to reciprocal rights to the Indian carriers.

POLICY REGARDING COMMERCIAL AGREEMENTS:

Government will not henceforth mandate any commercial agreement as part of bilateral agreements. All new operations by foreign carriers, both on new destinations as well as on existing routes would be free from the obligations of mandated commercial agreements. All existing Government mandated commercial agreements would be reviewed and phased out over the next 5 years. However, the airlines will be free to enter into such co-operative marketing arrangements as are mutually agreed upon between them.

FOREIGN DIRECT INVESTMENT (FDI) IN CIVIL AVIATION SECTOR:

The Central Government has increased the Foreign Direct Investment limits in "Air Transport Services (Domestic Airlines)" and revised limits are as under

- (a) 49% through automatic route; and
 - (b) 100% by Non-Resident Indians through automatic route;
- (No direct or indirect equity participation by foreign airlines is allowed).

AIR INDIA

(i) NEW STATIONS CONNECTED/OPERATED BY AIR INDIA:

Air India has started flights to Shanghai and Los Angeles and also introduced terminator flights from Ahmedabad to London. Air India has identified need for non-stop operations to USA and is tailoring its fleet acquisition accordingly. Services to the following 12 new destinations have been planned in a phased manner:

San Francisco, Washington, Houston, Toronto, Manchester, Beijing, Seoul, Taipei, Sydney, Lagos, Mauritius and South Africa.

(ii) LEASING OF AIRCRAFT BY AIR INDIA

Pending the aircraft acquisition plans, Air India has embarked on a strategy of taking aircraft on dry lease to meet its capacity expansion requirements. Air India and Air India Express presently have a fleet of 21 and 3 aircraft respectively on dry lease.

Apart from this, Air India and Air India Express have finalized the arrangements for the induction of the following aircraft on dry lease:

- (i) 4 X B737-800s in February - April 2006 by Air India Express.
- (ii) 1 B-777-200A in December 2005 by Air India.

(iii) ACQUISITION OF AIRCRAFT BY AIR INDIA LTD.:

In its meeting held on 13.10.2005, the Public Investment Board (PIB) has approved the proposal for acquisition of 50 aircraft by Air India and 18 aircraft by Air India Charters limited (AICL). Simultaneously, an Overseeing Committee has been constituted under Shri C.G. Somaiah former C&AG with the approval of PMO for supervising and guiding Air India in its negotiations with the aircraft manufacture (Boeing). The proposals shall be submitted for the consideration and approval of Cabinet Committee on Economic Affairs (CCEA) shortly.

(iv) LOW COST OPERATIONS BY AIR INDIA:

Air India has operationalized "Air India Express", a new budget carrier under the banner of Air India Charters Limited (AICL), a wholly owned subsidiary of Air India, by inducting 14 B-737-800 aircraft on dry lease over a period of one year from March, 2005 to April, 2006. Flights to South East Asia and Gulf (excluding Saudi Arabia) are being operated by this carrier at substantially reduced fares.

CARGO OPERATIONS

Air India is also planning to significantly expand its cargo operations in a phased manner over the next 2 years. For this purpose, Air India plans to dry lease 1 A310 dedicated freighter and one B747 dedicated freighter and convert two A310 aircraft into aircraft for freighter services. Through these measures Air India's revenues for cargo services will increase from Rs.4000 crores to Rs.6000 crores in 2005-06.

(v) INITIAL PUBLIC OFFERINGS (IPOS)

The Board of Air India in its 106th meeting held on 26th April, 2005 has in principle approved the initial Public Offering (IPOS) in order to strengthen AI's equity base subject to the approval of the Government.

The above proposals is under examination of the Government.

INDIAN AIRLINES

(i) NEW INTERNATIONAL CONNECTION BY INDIAN AIRLINES:

Indian Airlines has introduced a biweekly Guwahati – Bangkok flight from January 1, 2005. Besides, new services have been introduced on Delhi – Kabul, Delhi – Singapore, Delhi – Bangkok – Kuala Lumpur and Mumbai – Bangkok routes. A direct flight between Delhi – Singapore has also commenced.

(ii) LEASING OF AIRCRAFT

Indian Airlines has an on-going programme of leasing aircraft to increase its capacity. Currently, 17 Airbus A-320 and 4 ATR-42 aircraft are on lease with the Airline. In addition, the airline has proposals to lease aircraft as per details below:

- 12 wide-body aircraft for international operations.
- 6 ATR aircraft for short sector routes.
- 5 Airbus A-319 aircraft to replace ageing B 737 aircraft.

(iii) ACQUISITION OF 43 AIRCRAFT BY INDIAN AIRLINES:

The proposal to acquire 43 Airbus aircraft consisting of 19 A-319, 4 A-320 and 20 A-321 aircraft all powered with CFM56B engines has been approved by the Government on 29.9.2005. The airline has been accordingly advised to proceed further and finalise the purchase agreement.

(iv) CARGO OPERATIONS

Indian Airlines is into the final stages of examining conversion of 5 B737s into freighter aircraft to use them on a hub and spoke concept with Nagpur as a hub to offer express /retail courier services.

(v) **INITIAL PUBLIC OFFERINGS(IPOs)**

Indian Airlines Ltd. proposes to acquire 43 Airbus aircraft during 2006-07 to 2010-2011 at an estimated cost of approx. Rs.10,000 crores. The Government has approved infusion of Rs.325 crores as equity in the Indian Airlines Ltd. to be used as margin money for the said acquisition. Further in order to partially support the financing of this acquisition, Indian Airlines Board has, in principle, approved raising of resources by IPO.

The above proposals is under examination of the Government.

AIRPORTS

(i) **RESTRUCTURING OF DELHI & MUMBAI AIRPORTS:**

Government is upgrading and modernizing airports of Airports Authority of India (AAI) at Delhi and Mumbai through restructuring process by adopting the Joint – Venture (JV) route. Towards this end, Government had invited Expression of Interest (EOI) by 04.06.2004 for acquiring 74% equity stake in the JVC. Ten entities lodged their EOIs and Nine Consortia were short listed for participation in the Request For Proposal stage. The Pre-Qualified Bidders (PQBs) were issued the Transaction Documents and Request for Proposal document on 01st April 2005. Finally, eight Consortia were issued the Transaction Documents on 30.08.2005. Out of eight, five and six consortia submitted their bids for Delhi and Mumbai airports, respectively, on the last date i.e. 14.09.2005. The bids are at evaluation stage. The process is likely to be completed by the end of year 2005. The Joint Venture Companies will be mandated to undertake capital expenditure of Rs.28 billion at Delhi and Rs. 26 billion at Mumbai in the first 5 years. The expenditure on development of Mumbai airport is expected to be Rs.59 billion for the period 2005 – 2019 whereas for Delhi airport, it is likely to be of the order of Rs.79 billion over the period 2005-2024.

(ii) **RENOVATION AT CSI AIRPORT, MUMBAI:**

The Airports Authority of India has taken up the expansion and modernization of Terminal IB at CSI Airport Mumbai, which caters to domestic private airlines. The Phase I of this expansion process has been implemented which involves expansion of building on city side by 3000sqm and modification to the existing building in an area of 5200 sqm. with modern specifications. The 2nd phase is in progress. The overall expansion of the building, after the completion of the project will be 7000sqm on city side and modification of existing building in an area of 17400sqm.

The Phase I of Terminal Building has been appreciated by the users. Based on the experience of Phase I, additional improvements in the nature of canopy in the city side, sky lights for improvement of natural lighting, expansion of departure area etc. have also been taken up. The work is likely to be completed by December 2005 at a cost of Rs. 85.66 crores.

(iii) **BANGALORE INTERNATIONAL AIRPORT LIMITED:**

Greenfield airport project at Devanahalli near Bangalore is being implemented on a Build Own Operate and Transfer (BOOT) basis with Public – Private – Participation (PPP). Government of Karnataka (GoK) and Airports Authority of India (AAI) together hold 26% equity and the strategic joint venture partners hold the balance 74%. AAI's investment in the equity is capped at Rs. 0.50 billion. A consortium led by Siemens, Germany with Unique Zurich, Switzerland and Larsen & Toubro India Limited as other members have been chosen as the strategic Joint Venture Partners. The Shareholders Agreement, the Concession Agreement, the State Support Agreement and the Land lease Agreement have been executed. GoK is extending Rs.3.50 billion as State support and is providing approximately 4000 acres of land on concessional rent. The communication Navigation Surveillance / Air

Traffic Management Agreement (CNS - ATM) have already been signed. Operation & Maintenance Services Agreement, financing Agreements etc. are signed. The approximate cost of the Project is Rs.14 billion. The target opening date of the airport is 33 months from the date of Financial Closure. The Financial Closure was achieved on 23rd June 2005 and the formal implementation of the Project commenced on 02nd July 2005. This project will be ready for operation in April 2008.

(iv) **HYDERABAD INTERNATIONAL AIRPORT LIMITED:**

A similar Greenfield airport is being developed in Shamshabad, near Hyderabad on BOOT basis with Public Private Participation (PPP) by the Government of Andhra Pradesh. The approximate cost of the Project is Rs.17.60 billion. A Special Purpose Vehicle under the name and style of Hyderabad International Airport Limited (HIAL) has been set up. AAI and Government of Andhra Pradesh together hold 26% equity with AAI's equity being capped at Rs. 50 crores. The balance 74% being held by the strategic partner, a consortium consisting of M/s GMR Enterprises and Malaysian Airports Holdings Berhad. The Concession Agreement, the Shareholder's Agreement, the State Support Agreement, the Land Lease Agreement and the CNS / ATM Agreement has already been executed. The target opening date of the airport is 36 months from the date of Financial Closure. The Financial Closure was achieved on 22nd August 2005.

(v) **MODERNISATION OF NON METRO AIRPORTS:**

Airports Authority of India (AAI) has proposed to modernize 35 tentatively selected non-metro airports to world-class standards in phases with focus on airside and city side development and enhancement of non-aeronautical revenue. Indian Financial Consultants (IFCs) and Global Technical Advisors (GTAs) were appointed to conduct techno-economic feasibility study of 10 identified airports to evolve an appropriate model based on viability of the project. Their reports have also been received and are under examination. Appointment of consultant for remaining airports is in process. The financing issues regarding these projects are being examined by the Task Force constituted by the Planning Commission.

(vi) **AIR TRAFFIC MANAGEMENT:**

Airports Authority of India manages one of the biggest airspace in the world which encompasses huge area of oceanic airspace in the Bay of Bengal and Arabian Sea area.

Total Airspace	:6.0 Million Sq.Km (approx)
Land area	:2.2 Million Sq.Km (approx)
Oceanic area	:3.8 Million Sq.Km (approx)

The entire Airspace has been divided into 5 FIRs: Mumbai, Delhi, Kolkata, Chennai & Guwahati for better and efficient airspace management functions.

The air traffic services are provided through eleven area control centers at Mumbai, Delhi, Kolkata, Chennai, Ahmedabad, Varanasi, Nagpur, Trivandrum, Guwahati, Manglore and Hyderabad. Radar services are provided at all area control centers. Control towers are established for the control of aerodrome/approach traffic at all controlled aerodromes.

Air traffic in India has registered a rapid growth in the recent past and is forecast to multiply further in the immediate future. The phenomenal rate of growth has resulted in air traffic congestion and delay at many airports and in the Indian airspace. To address the growing needs of upgrading the ATM system, the AAI proposes to take up the following:-

- ATS Automation
- Upgradation of Ground Infrastructure e.g. provision of parallel runways, rapid exit taxiways, connecting taxiways at all major airports.
- Upgradation of CNS Facilities
- Upgradation of Met Facilities

(vii) **INTERNATIONAL AIR CARGO FACILITIES AT THE AIRPORTS:**

AAI has established international cargo facilities at four domestic airports namely Nagpur, Guwahati, Lucknow and Coimbatore.

As far as Indian Airlines is concerned, cargo revenue from April-December, 2004 has shown an increase of over 19.25% compared to the same period in the preceding year and Indian Airlines had introduced a new facility called Shipment Notification System to promote export cargo through which shipper will be informed about the status of his shipment ex- inland cargo stations via e-mail and SMS.

As far as Air India is concerned, it has decided to operate dedicated freighters on key cargo routes i.e. India/Europe/USA, India/Japan, India/Singapore and India/China. It has proposed to retrofit its older A310 aircraft and sought to dry lease upto 3 AB310 freighters and 1 B747-400 freighter for providing bridge capacity in the interim.

(viii) **CARGO HUB AT NAGPUR:**

There is a proposal from Government of Maharashtra (GOM) to construct International Multi Model Passenger and Cargo Hub (MIHAN) at Nagpur. Ministry of Civil Aviation / Airports Authority of India is willing to transfer the Nagpur airport to Government of Maharashtra subject to finalization of modalities. On the advice of the MCA, GOM conducted a due diligence study of Airport infrastructure at Nagpur and submitted a report on October 26, 2004. The report is under examination. Cabinet has approved international status to Nagpur Airport and has also approved re-naming it as Dr. Ambedkar International Airport.

The Indian Air Force (IAF) is also implementing its GAJRAJ Project adjacent to the MIHAN Project. High level meetings are taking place between MOC, MCA, GOM and AAI to exchange equivalent land between GOM and MOD to facilitate implementation of the MIHAN Project.

Government of Maharashtra has already formed a Special Purpose Vehicle (SPV) in the name of Maharashtra Airport Development Company (MADC) for development of MIHAN.

HAJ 2006:

For Haj 2006, the Cabinet has decided to increase the number of persons performing Haj through the arrangements made by the Haj Committee under the Government subsidy scheme from 82, 000 to 1,00,000. The details for implementation of this decision will be worked out by Cabinet Secretary in consultation with concerned Secretaries.

NATIONAL FLYING TRAINING SCHOOLS:

To cater to the increased demand of pilots for the expanding aviation sector the facilities at the Flying Training School at Fursatganj are to be increased so that it can train a 100 students per year for CPL as against the present 30. A new state of the art/world class National Flying Training School is also to be set up at Gondia (Bisri) in Maharashtra.

NEW CIVIL AVIATION POLICY:

The Ministry constituted a Committee under the Chairmanship of Shri Naresh Chandra, former Cabinet Secretary to prepare a roadmap for civil aviation sector that will provide the basis for a New National Civil Aviation Policy. The Committee had submitted the first part of the report on 08-12-2003 and second part on 02-11-2004. The recommendations made in these reports have been examined. A comprehensive "National Civil Aviation Policy" has been drafted in consultation with the stakeholders in the aviation sector. The draft Civil Aviation Policy was circulated for inter ministerial consultation in March, 2005. Comments of other Ministries have since been received. Subsequently, the Department of Space also requested to be consulted in the matter. The draft Civil Aviation Policy is now being revised to take on board the views of other Ministries. The matter will be submitted for the consideration of the Cabinet shortly.

AIRPORT ECONOMIC REGULATORY AUTHORITY (AERA):

The draft Bill on Airport Economic Regulatory Authority (AERA) has been formulated and is being taken up with Committee of Secretaries (COS) to resolve outstanding issues. The Bill will thereafter be put up before the Cabinet for approval. Thereafter, the bill will be introduced in the Parliament.

AIR CONNECTIVITY IN NORTH-EAST REGION AND REGIONAL ROUTES:

A total of 82 airports, including 20 Civil Enclaves, are in operation in India and domestic scheduled air services are available from 72 cities.

With permissions given to different domestic scheduled airlines, air connectivity is expected to increase on regional routes connecting non-metro stations. All current scheduled operators are maintaining the prescribed capacity deployment for the North-Eastern States.

At present, Indian Airlines/Alliance Air, Jet Airways, Sahara Airline & Deccan Aviation operate to/from the following stations in North East Region.

Dibrugarh, Guwahati, Jorhat, Lilabari, Silchar, Tezpur, Imphal, Aizwal, Shillong, Dimapur and Agartala.

Following table summarises airline operations in North East.

	Indian Airlines	Jet Airways	Air Sahara	Air Deccan
Stations	11	4	2	2
City Pairs	26	9	4	5
Flights/week	126	31	14	14

COMMITTEE TO REVIEW THE ROLE AND FUNCTIONS OF DGCA (KAW COMMITTEE):

A Committee under the Chairmanship of Shri M.K.Kaw, former Secretary (CA) has been constituted to consider the latest growth in the aviation sector, change in the scope of activities, necessity to comply with the ICAO standards and recommended practices and to fine tune the Role & Functions of the DGCA with the Civil Aviation Organisations world over, on 08.08.2005. The Committee is examining various aspects of Role, Functions, Responsibilities and Organizational structure of the DGCA. The Committee would be submitting its report by November, 2005.
